

## KANSAS RACING AND GAMING COMMISSION

### MINUTES – APRIL 13, 2018

#### CALL TO ORDER (A.)

Chairman Brandon Jones called the April 13, 2018 meeting to order at 10:00 a.m. The meeting was held in the East Tower Conference Room of the Eisenhower State Office Building, 700 SW Harrison, in Topeka, KS. Commissioners David Moses, Dave Myres, and Larry Turnquist were also present. Others present included Executive Director Don Brownlee, General Counsel Judith Taylor, Director of Administration, Audit, and Finance Brandi White, Electronic Security Manager Roger Bailey, Director of Security and Licensing Joe Herridge, Recording Secretary Sarah Lynch-Chaput, and other staff.

#### MOTION, APPROVE AGENDA (B.)

Commissioner Moses (Turnquist) moved to approve the agenda. Motion carried unanimously.

#### MOTION, APPROVE FEBRUARY 16, 2018 MEETING MINUTES (C.1.)

Commissioner Moses (Turnquist) moved to approve the minutes of the February 16, 2018 meeting. Motion carried unanimously.

#### INTRODUCTION OF NEW COMMISSIONERS, RECOGNITION OF DENNIS MCKINNEY (D.)

Chairman Brandon Jones welcomed and introduced new commissioners Dave Myres and Larry Turnquist. Chairman Jones and Commissioner Moses formally recognized former commissioner Dennis McKinney for his seven years of service to the commission.

#### MOTION, APPROVE CONSENT AGENDA (E.)

Commissioner Turnquist (Myres) moved to approve the consent agenda. Motion carried unanimously.

#### LOTTERY GAMING FACILITY REPORTS/ITEMS; BOOT HILL CASINO & RESORT (F.1.a.)

Diane Giardine, General Manager, reported:

- February 2018 revenue numbers compared to February 2017:
  - Total gaming revenue decrease of 4.62%
  - Total slot revenue down 4.42%
  - Table games revenue down 6.01%
- March 2018 revenue numbers compared to March 2017:
  - Total gaming revenue increase of 14.01%
  - Total slot revenue up 10.55%
  - Table games revenue up 42.77%
- Past Promotions and Events:

- Jeff Dunham, April 6<sup>th</sup>
- Gaither Vocal Band, April 7<sup>th</sup>
- Godiva Chocolate Giveaways
- Chinese New Year
- Upcoming Promotions and Events:
  - Money Machine Mania
  - Jackpot Redraws
  - Free Spin Promotions
  - Free Gift Promotions
  - Birthday Parties
  - Stay & Play Hotel Packages
  - Skillet for King and Country, April 13<sup>th</sup>
  - Rain – A Tribute to the Beatles, April 25<sup>th</sup>
  - Estrellas de Mariachi, May 12<sup>th</sup>
  - Justin Moore – Dodge City Days, July 28<sup>th</sup>

LOTTERY GAMING  
FACILITY  
REPORTS/ITEMS; KANSAS  
STAR  
(F.2.a.)

Ted Bogich, Executive Vice President for Boyd Gaming, introduced the new general manager for Kansas Star Casino, Jeff Babinski.

Rick Goldstein, Assistant General Manager, reported:

- February 2018 revenue numbers compared to February 2017:
  - Admissions up 2.3%
  - Total gross gaming revenue down 1.4%
  - Slot coin-in down 1.7%
  - Slot hold up 0.13 points
  - Table game drop up 6.0%
  - Table game hold down 2.8 points
  - Poker revenue down 14.5%
- March 2018 revenue numbers compared to March 2017:
  - Admissions down .04%
  - Total gross gaming revenue up 6.0%
  - Slot coin-in up 6.2%
  - Slot hold flat
  - Table game drop up 1.1%
  - Table game hold up 1.6 points
  - Poker revenue down 20.8%
- Past Events and Promotions:
  - USA Kids Wrestling, March 10<sup>th</sup>
  - Collective Soul, March 17<sup>th</sup>
  - Evolution Fighting Championship, April 7<sup>th</sup>
- Upcoming Events and Promotions:

- Jeff Foxworthy, April 14<sup>th</sup>
- 20<sup>th</sup> Annual Marauders Car Show, April 21<sup>st</sup> – 20<sup>th</sup>
- Masters of Illusion, April 28<sup>th</sup>
- Bill Engvall, June 16<sup>th</sup>
- Jay Leno, August 18<sup>th</sup>

LOTTERY GAMING  
FACILITY  
REPORTS/ITEMS;  
HOLLYWOOD CASINO AT  
KANSAS SPEEDWAY  
(F.3.a.)

Richard Skinner, General Manager, reported:

- February 2018 revenue numbers compared to February 2017:
  - Total gaming revenue was \$11.6 million, a decrease of \$142,000 or 1.2%
  - Table games revenue was \$1.4 million, an increase of \$47,000 or 3.6%
  - Slot revenue was \$10.3 million, a decrease of \$189,000 or 1.8%
- March 2018 revenue numbers compared to March 2017:
  - Total gaming revenue was \$14.3 million, an increase of \$875,000 or 6.5%
  - Table games revenue was \$1.6 million, a decrease of \$153,000 or 8.7%
  - Slot revenue was \$12.7 million, an increase of \$1.0 million or 8.8%
- New Sporting KC Partnership
  - Three year commitment
  - Customers can come to Hollywood Casino before game, park in the parking garage, then use Kansas Speedway property to take shuttle buses to entrance of Sporting KC
  - Hollywood Casino in-game signage
- February Events and Promotions:
  - Play, Earn, and Get Redemption Period
  - Marquee Millionaire Slot Tournament
  - President's Day Mystery Bonus
  - \$10,000 Suited Blackjack Promotion
- March Events and Promotions
  - \$25,000 Big Wheel Bonanza
  - NCL Cruise Event
  - VIP Drum Drawing
  - Ham Certificate Giveaway
  - Kansas Lottery Scratch Off Promotion



LOTTERY GAMING  
FACILITY  
REPORTS/ITEMS; KANSAS  
CROSSING CASINO  
(F.4.a.)

Doug Fisher, General Manager, reported:

- February 2018 revenue numbers compared to January 2018:
  - Net slot win increased 16.6%
  - Net table win increased 36.8%
  - Net gaming revenue increased 18.9%
- March 2018 revenue numbers compared to February 2018:
  - Net slot win increased 13.9%
  - Net table win decreased 6.4%
  - Net gaming revenue increased 11.6%
- Past Events and Promotions:
  - Biathlon Blackjack Tournament, February 10<sup>th</sup>
  - 18x Slot Points, February 18<sup>th</sup>
  - Barrel of Bucks, February 23<sup>rd</sup>
  - "Curling for Cash" Promotion, February 24<sup>th</sup>
  - Craps Tournament, March 10<sup>th</sup>
  - Rock, Paper, Scissors Tournament for Tahoe, March 24<sup>th</sup>
- Upcoming Events and Promotions:
  - One year anniversary celebration all of April
  - Preacher Lawson, May 12<sup>th</sup>
  - Elvis Explosion, May 18<sup>th</sup> and 19<sup>th</sup>
  - Hairball, June 8<sup>th</sup>

COMMISSION ITEMS –  
OLD BUSINESS  
(G.)

There were no old business items.

COMMISSION ITEMS –  
NEW BUSINESS  
(H.)

Brandi White, Director of Administration, Audit, and Finance, presented the proposal for the Kansas Greyhound Association to administer the Kansas Greyhound Registry for year 2018.

MOTION; KANSAS  
GREYHOUND  
ASSOCIATION 2018  
CONTRACT  
(H.)

Commissioner Moses (Turnquist) moved to approve the contract for the Kansas Greyhound Association to administer the Kansas Greyhound Registry in Kansas for the year 2018 with no funding from KRGC.

PUBLIC COMMENTS  
(I.)

There were no public comments.

STAFF REPORTS  
(J.1.A. and I.2)

Sarah Lynch-Chaput, Legal Assistant, reported on the Voluntary Exclusion Program statistics for the month of March 2018.

Executive Director Brownlee reported:

- Brett Jacobs has been promoted to Supervising Enforcement Agent at Hollywood Casino.
- The June 15, 2018 meeting will be held at Kansas Star Casino in Mulvane, KS.
- There have been several bills introduced in the legislature dealing with sports wagering and pari-mutuel racing.
- House Bill 2545 has passed out of the House Committee on Federal and State Affairs. Senate Bill 427 has passed out of the Senate Committee on Federal and State Affairs. Neither racing bill has gone to the floor for a vote.
- Several different sports wagering bills have had brief hearings on both the house and senate side. The committees have not taken any action to move them out of committee.
- The legislature is scheduled to return April 26, 2018, and sine die is scheduled for May 4, 2018.

MOTION, EXECUTIVE  
SESSION  
(K.1)

Commissioner Turnquist (Myres) moved that the Commission go into executive session for the purpose of confidential attorney-client privilege. Those included in the executive session, in addition to the commissioners, were the executive director and general counsel. The total time for the executive session was anticipated to be twenty minutes until 11:20 a.m. No action is to be taken in executive session, and the subject discussed is to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. The motion carried unanimously and the meeting was adjourned to executive session at 11:00 a.m.

RECONVENE

The commission meeting returned to open session at 11:20 a.m. with all members present.

MOTION, EXECUTIVE  
SESSION

Commissioner Turnquist (Myres) moved that the Commission go into executive session for the purpose of discussing Kanas Star Casino,

(K.3)

LLC confidential facility manager financial information. Those included in the executive session, in addition to the commissioners, were the executive director; general counsel; director of administration, audit, and finance; Adrian Perez, managing auditor; and Todd Allen, auditor. The total time for the executive session was anticipated to be thirty minutes until 11:55 a.m. No action is to be taken in executive session, and the subject discussed is to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. The motion carried unanimously and the meeting was adjourned to executive session at 11:25 a.m.

RECONVENE

The commission meeting returned to open session at 11:55 a.m. with all members present.

MOTION, EXECUTIVE  
SESSION  
(K.3)

Commissioner Turnquist (Myres) moved that the Commission extend the executive session for the purpose of discussing Kanas Star Casino, LLC confidential facility manager financial information, with the same staff members present. After five minutes in executive session, the Boyd Corporate Finance Team was invited in to present to the commission on the confidential facility manager finance information. The total additional time for the extended executive session was anticipated to be twenty-five minutes until 12:25 p.m. No action is to be taken in executive session, and the subject discussed is to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. The motion carried unanimously and the meeting was adjourned to executive session at noon.

RECONVENE

The commission meeting returned to open session at 12:25 p.m. with all members present.

MOTION, EXECUTIVE  
SESSION  
(K.3)

Commissioner Turnquist (Myres) moved that the Commission extend the executive session for the purpose of discussing Kanas Star Casino, LLC confidential facility manager financial information, with the same staff members present and the Boyd Corporate Finance Team.



The total additional time for the extended executive session was anticipated to be thirty minutes until 1:00 p.m. No action is to be taken in executive session, and the subject discussed is to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. The motion carried unanimously and the meeting was adjourned to executive session at 12:30.

RECONVENE

The commission meeting returned to open session at 1:00 p.m. with all members present.

MOTION, BOYD GAMING  
REFINANCING  
(K.3)

Commissioner Turnquist (Myres) moved to approve the major debt refinance transaction of Boyd Gaming Corporation, an affiliate of the Kansas Star Casino, LLC. Commissioner Moses stated his reservations about the transaction, and in the future when new amendments or agreements are brought to the Commission, that the document must include language that Kansas is not waiving any of its rights under the law or the lottery gaming facility contract. The motion carried with three ayes, and one no (Myres).

MOTION, EXECUTIVE  
SESSIONS  
(K.4)

Commissioner Turnquist (Myres) moved that the Commission go into executive session for the purpose of confidential KCJIS training. Those included in the executive session, in addition to the commissioners, were the executive director; general counsel; electronic security manager; Shaun Glaubitz, IT Consultant; and Dan Lake, IT Consultant. The total time for the executive sessions was anticipated to be thirty minutes until 1:40 p.m. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. The motion carried unanimously.

RECONVENE

The commission meeting returned to open session at 1:30 p.m. with all members present.

MOTION, EXECUTIVE  
SESSIONS  
(K.4)

Commissioner Turnquist (Myres) moved that the Commission extend the executive session for the purpose of confidential KCJIS training, with the same staff members present. The total additional time for the extended executive session was anticipated to be fifteen minutes until

1:45 p.m. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. The motion carried unanimously.

RECONVENE

The commission meeting returned to open session at 1:45 p.m. with all members present.

MOTION, EXECUTIVE  
SESSIONS  
(K.2)

Commissioner Turnquist (Myres) moved that the Commission go into executive session for the purpose of reviewing confidential background reports. Those included in the executive session, in addition to the commissioners, were the executive director, general counsel, and director of security. The total time for the executive session was anticipated to be fifteen minutes until 2:00 p.m. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. The motion carried unanimously.

RECONVENE

The commission meeting returned to open session at 2:00 p.m. with all members present.

MOTION TO DENY,  
CONDITIONALLY  
APPROVE, APPROVE  
RECONSIDERATION,  
DENY  
RECONSIDERATION,  
TABLE, AND APPROVE  
LICENSE APPLICATIONS  
(L.)

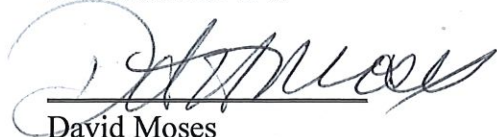
Commissioner Moses (Turnquist) moved to *deny* three license applications, *table* one license application, and *approve* the remaining 353 license applications from the April 13, 2018 list of background reports referred to the commission for action. Motion carried unanimously.

ADJOURN  
(M.)

Commissioner Myres (Turnquist) moved to adjourn the meeting. Motion carried unanimously. The meeting was adjourned at 2:05 p.m.



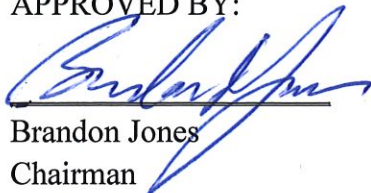
SUBMITTED BY:

A handwritten signature in black ink, appearing to read 'David Moses', written over a horizontal line.

David Moses

Interim Secretary

APPROVED BY:

A handwritten signature in blue ink, appearing to read 'Brandon Jones', written over a horizontal line.

Brandon Jones

Chairman